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PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982

Fourth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/49/25) on programme budget implications of the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

2. As indicated in the Secretary-General's report, this matter was brought to the attention of the General Assembly at its forty-eighth session; on 28 July 1994 the Assembly adopted resolution 48/263 in which, inter alia, it decided "to fund the administrative expenses of the International Seabed Authority in accordance with section 1, paragraph 14, of the annex to the Agreement", which provides that "the Authority shall have its own budget. Until the end of the year following the year during which this Agreement enters into force, the administrative expenses of the Authority shall be met through the budget of the United Nations". As indicated in paragraph 6 of the Secretary-General's statement of programme budget implications (A/C.5/48/80), the maximum period during which the administrative expenses of the Authority would be met by the United Nations would be until the end of 1999.

3. The period during which the United Nations would be responsible for the administrative expenses of the Authority is thus a transitional one of limited duration. Nevertheless, it is important that the procedures by which those expenses will be met be clear and unambiguous. In this connection, the Advisory Committee recalls that paragraphs 1 and 2 of Article 17 of the Charter of the United Nations provide that "the General Assembly shall consider and approve the budget of the Organization" and that "the expenses of the Organization shall be borne by the Members as apportioned by the General Assembly". In this connection, the Advisory Committee reiterates its statement that the provision

of section 1, paragraph 14, of the annex to the Agreement must be implemented in accordance with the requirements of Article 17 of the Charter of the United Nations (A/48/7/Add.16, para. 4).

4. The Advisory Committee points out that even though the procedures for review and approval of the budget by the Finance Committee, the Council and then the Assembly of the Seabed Authority are specific and involve action by Governments, as long as the budget of the International Seabed Authority is to be financed by the United Nations, the approval of that funding must be in accordance with Article 17 of the Charter of the United Nations. This means that the budget of the Authority would have to be approved by the General Assembly after review by the Advisory Committee.

5. For purposes of this review and approval, the Secretary-General of the Authority should present its budget to the General Assembly. The amount approved by the Assembly would be incorporated into the programme budget of the United Nations as a separate section in accordance with the Secretary-General's proposal in his statement of programme budget implications (A/C.5/48/80). The new section would simply indicate the amount to be provided by the United Nations and the detailed analysis and justification would be contained in a separate budget document prepared on an annual basis.

6. The immediate requirements of the Authority are contained in paragraphs 7 to 10 of the Secretary-General's report (A/C.5/49/25). These are based on the Preparatory Commission's recommendations (see LOS/PCN/143) with regard to the meeting schedule of the Authority, as well as the Preparatory Commission's recommendations with regard to the staffing requirements of the Authority.

7. The Advisory Committee points out that the Secretary-General's report (A/C.5/49/25) does not contain a clear description of the programme of work for the Authority. The Advisory Committee expects that future budget submissions, presented by the Secretary-General of the Authority on behalf of its Assembly for the scrutiny of the Advisory Committee and final approval by the General Assembly, will contain a clear link between the programme of work and staffing and other resources required to carry it out.

8. Should the General Assembly endorse the recommendations of the Preparatory Commission, it is estimated that an additional appropriation of $869,000 would be required for the costs of the secretariat of the International Seabed Authority under a new and separate section 32 of the programme budget of the United Nations for the biennium 1994-1995. This requirement would be partially offset by reduction of $776,000 under section 7 (Legal activities) of the proposed programme budget. Therefore, a net additional appropriation of $93,000 would be required.